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Malaysia

Oilseeds and Products

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Report Highlights:

Malaysia's CPO production stagnated at 1.3 MMT in September 2003. Carry-over stocks level at the end of September declined to 975 TMT mainly due to strong PO exports, which rose to 1.2 TMT in September. Average local CPO price rose from US\$378/MT in September to US\$434/MT in October.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1]
[MY]

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Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production stagnated at 1.3 MMT in September 2003. Output in the Peninsula declined by 1.5 percent in September while East Malaysia's production increased by 2.1 percent. Compared to September 2002, output during September 2003 was 4.6 percent higher. Total CPO output amounted to 13.2 MMT in 2002/03.

Price

In line with the up trend in soy prices, the monthly average CPO price rose from US\$379/MT in September to US\$434/MT in October 2003. For comparison, the average CPO price for October 2002 was US\$364/MT. The RBD Palm Oil FOB average price also rose from US\$400/MT in September to US\$431/MT in October.

Stocks

The strong growth in PO exports and an increase in domestic disappearance resulted in the PO stock level contracting to 975 MMT at the end of September. With the anticipation of overseas demand outstripping local PO supply in the coming months, Post expects carry-over stocks level to further decline to below 900 TMT by the end of December.

Trade

Preliminary official PO exports rose 1.0% from 1.19 MMT in August to 1.2 MMT in September.

Annual Situation

PS&D table for palm oil has been revised to reflect the latest release of official data.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	975
Production	11,858	13,180	13,700
Imports	325	436	350
Total Supply	13,399	14,765	15,025
Exports	10,163	12,076	11,500
Domestic Use	2,087	1,714	2,425
Ending Stock	1,149	975	1,100

Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2002 1/	2003 2/
	Jul-Sep	Jul-Sep	Oct-Dec	Oct-Dec
Beg Stocks 3/	913	995	1149	975
Prod- Pen. Mal	2064	2327	1811	2340
- East Mal	1304	1552	1395	1500
- Total	3368	3879	3206	3840
Imports	111	66	139	100
Total Supply	4392	4940	4494	4915
Exports 4/	2629	3540	2925	3600
Dom Disap 5/	614	425	433	440
End Stocks	1149	975	1136	875

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate
and all intra-Malaysia trade;

5/ residual

Production

	2002	2002	2003	2003
	Sep	Jan-Sep	Sep	Jan-Sep
(In 1,000 MT)				
CPO:				
Pen. Malaysia	723	5206	761	6068
East Malaysia	517	3494	536	3906
- Total /1	1240	8700	1297	9974
Palm Kernel : Malaysia	343	2407	342	2709
Palm Kernel Oil: Malaysia	142	1070	153	1126
Palm Kernel Meal: Malaysia	164	1244	177	1423

Prices

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Oct 2002	1388	379	394	343
Nov	1566	422	438	383
Dec	1627	438	454	396
Jan	1654	437	459	395
Feb	1617	434	449	395
Mar	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun	1513	416	441	342
Jul	1500	414	442	338
Aug	1393	393	420	317
Sep 1/	1439	400	427	320
Oct 2003 (till 21 st)	1649	431	465	384

1/ Revised

Exchange Rate: Pegged at RM3.799 to US\$1.00 since 1998

Stock

	2002	2003	2003	2003
	Sep	Jul 1/	Aug 1/	Sep
(In 1,000 MT)				
Crude P. Oil	652	495	503	456
Processed PO	497	522	512	519
- Total PO	1149	1017	1015	975
Palm Kernel	152	115	115	115
P. Kernel Oil	301	265`	227	223

/1 Revised